

Message Text

LIMITED OFFICIAL USE

PAGE 01 LAGOS 05644 171500Z

41

ACTION AF-06

INFO OCT-01 ISO-00 EB-07 /014 W
----- 069728

P R 171325Z JUN 75
FM AMEMBASSY LAGOS
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 9769

LIMITED OFFICIAL USE LAGOS 5644

USDOC FOR MEPD

E.O. 11652: N/A

TAGS: BEXP, ELTN, NI

SUBJECT: MAJOR PROJECT: RAILROAD DEVELOPMENT

REF: (A) LAGOS 5146; (B) STATE 130484; (C) STATE 137816

1. SHORT LIST FOR CONSULTANCY CONTRACT WITH NIGERIAN RAILWAYS CORPORATION IS IN THE STORY AT THIS POINT. HOWEVER ITS EXISTENCE HAS ALSO BEEN CONFIRMED TO TUNDE JOHNSON WHO TELLS US THAT BELGIAN FIRM NOW DROPPED FROM LIST, LEAVING TRANSMARK, ITALCONSULT AND SOFRERAIL, ALLEGEDLY IN THAT ORDER OF PREFERENCE. USUAL PRACTICE IS FOR FMG TO PROCEED DIRECTLY TO NEGOTIATIONS WITH SHORT LISTED FIRMS AND TO NOTIFY OTHERS ONLY AFTER THESE NEGOTIATIONS UNDERWAY.

2. WE HAVE NO REASON BELIEVE OMISSION OF U.S. FIRMS FROM SHORT LIST REFLECTS DISCRIMINATION AGAINST U.S. INDUSTRY; WE BELIEVE FMG WOULD IN FACT LIKE TO HAVE GREATER U.S. INDUSTRY PRESENCE IN NIGERIA. HOWEVER IN MOST PROJECTS FMG CURRENTLY OVERWHELMED WITH OFFERS AND PROPOSALS AND NATURAL TENDENCY IS TO GO ALONG WITH FIRMS THAT HAVE ESTABLISHED PRESENCE AND PROVEN CAPABILITY IN NIGERIA. MANY U. S. FIRMS KNOWN ONLY BY REPUTATION ELSEWHERE, NOT PERFORMANCE IN NIGERIA. NIGERIANS TYPICALLY FAVOR KNOWN QUANTITIES TO THOSE WHO ARE PURSUING ONLY ONE-TIME PROJECTS AND HAVE NOT DEMONSTRATED INTEREST IN ESTABLISHING LONG TERM PRESENCE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LAGOS 05644 171500Z

3. IN THIS CASE, PULLMAN (SWINDELL DRESSLER) AND MORRISON-KNUDSEN FALL INTO UNTRIED CATEGORY (ALTHOUGH MK MAY BE REMEMBERED FOR ITS WITHDRAWAL FROM AIRPORT PROJECT) AND HAVE MADE ONLY ONE VISIT TO NIGERIA IN PURSUIT OF THIS PROJECT. WE ARE NOT AWARE OF ANY VISIT BY FORD BACON AND DAVIS (WHO AS DEPARTMENT AWARE DROPPED OUT OF RECENT RR EQUIPMENT TRADE MISSION). AS FAR AS WE KNOW, ONLY OTHER U. S. FIRMS WHO SUBMITTED PRE-QUALIFICATION DATA WERE STANLEY CONSULTANTS AND SVERDRUP AND PARCEL. BOTH ARE REPRESENTED LOCALLY BUT STANLEY SPECIFICALLY STATED IN ITS PROPOSAL THAT IT WAS INTERESTED NOT IN CONSULTANCY, BUT IN DOWNSTREAM DESIGN AND ENGINEERING WORK; IN CASE OF S&P, U. S. DIRECTOR HAS BEEN ABSENT FROM NIGERIA FOR SOME TIME, AND WE UNABLE OBTAIN ANY USEFUL INFORMATION ABOUT THEIR PURSUIT OF CONSULTANCY CONTRACT.

4. BY CONTRAST, OF 3 FIRMS SHORT LISTED (OUT OF REPORTED TOTAL OF 32 BIDDERS) TRANSMARK HAS BEEN REPRESENTED IN NIGERIA FOR YEARS AND HAS JUST COMPLETED SIX-MONTH MANAGEMENT STUDY FOR NRC; AND ITALCONSULT HAS BEEN ACTIVE IN NIGERIA FOR ABOUT 3 YEARS AS CONSULTANT ON ROAD, RAIL AND OTHER CONSTRUCTION IN RIVERS STATE. AS FOR SOFRERAIL, FRENCH EMBASSY UNAWARE OF THEIR ACTIVITIES IN NIGERIA, AND WE HAVE BEEN UNABLE TO DEVELOP ANY HARD INFO TO DATE.

5. IN CONVERSATIONS WITH US, JOHNSON SAID THAT IT IS HIS IMPRESSION, AFTER DISCUSSIONS WITH NRC OFFICIALS, THAT ATTITUDES DESCRIBED ABOVE PLAYED DETERMINING ROLE IN SELECTION OF SHORT LIST. HE HAS CABLE REPORT TO SWINDELL DRESSLER BUT WE DO NOT KNOW WHAT RECOMMENDATIONS HE MAY BE MAKING.

6. ON EARLIER OCCASIONS WE HAVE MADE CLEAR TO NRC USG INTEREST IN SEEING U. S. INDUSTRY REPRESENTED IN SHORT LIST FOR CONSULTANCY AND WE HAVE MADE SAME POINT TO MINISTRY OF TRANSPORT. NOW THAT NRC SHORT LIST ESTABLISHED, WE SEE LITTLE PROMISE IN FURTHER APPROACH AT THAT LEVEL BUT WE HAVE REQUESTED APPOINTMENT IN MOT FOR AMBASSADOR TO RENEW OUR REPRESENTATIONS. WE ARE DOUBTFUL THAT RENEWED REPRESENTATIONS WILL ROLL BACK FMG POSITION ON THIS CONSULTANCY CONTRACT BUT HAVE HOPES WE CAN BRING ABOUT MORE POSITIVE MINISTRY ATTITUDE TOWARD LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LAGOS 05644 171500Z

PARTICIPATION U. S. FIRMS IN DOWNSTREAM RAILWAY CONTRACTS AND OTHER TRANSPORT PROJECTS. IN LAST ANALYSIS, HOWEVER, SUCCESS OF U.S. FIRMS WILL ALMOST CERTAINLY DEPEND LESS ON DIPLOMATIC PRESSURES FROM USG THAN ON FIRMS'S ABILITIES TO PUT PROPOSALS THAT ARE COMPETITIVE AND THEIR WILLINGNESS TO PURSUE THEM PATIENTLY AND PERSISTENTLY.

7. WOULD BE INTERESTED IN HEARING OF ANY REACTION FROM S-W OR

M-K.
EASUM

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONTRACTS, RAILROADS, NEGOTIATIONS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LAGOS05644
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750210-1133
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750643/aaaabnfa.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 LAGOS 5146, 75 STATE 130484, 75 STATE 137816
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 03 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 SEP 2003 by ElyME>; APPROVED <15 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: RAILROAD DEVELOPMENT
TAGS: BEXP, ELTN, NI
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006